

104TH CONGRESS
2D SESSION

H. R. 2960

To amend the Internal Revenue Code of 1986 to provide that amounts derived from Federal grants in connection with revolving funds established in accordance with the Federal Water Pollution Control Act will not be treated as investment property for purposes of section 148 of such Code.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 1, 1996

Mr. ZIMMER (for himself and Mr. BLUTE) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to provide that amounts derived from Federal grants in connection with revolving funds established in accordance with the Federal Water Pollution Control Act will not be treated as investment property for purposes of section 148 of such Code.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. TREATMENT OF FEDERAL GRANTS IN CONNEC-**
2 **TION WITH REVOLVING FUNDS ESTABLISHED**
3 **IN ACCORDANCE WITH FEDERAL WATER POL-**
4 **LUTION CONTROL ACT.**

5 (a) IN GENERAL.—Subsection (b) of section 148 of
6 the Internal Revenue Code of 1986 (relating to higher
7 yielding investments) is amended by adding at the end the
8 following new paragraph:

9 “(4) CERTAIN FEDERAL GRANTS NOT TREATED
10 AS INVESTMENT PROPERTY.—In no event shall the
11 term ‘investment property’ include any amount de-
12 rived from any Federal grant made in connection
13 with any revolving fund established in accordance
14 with title VI of the Federal Water Pollution Control
15 Act (or any subsequent reauthorization thereof).”

16 (b) EFFECTIVE DATE.—The amendment made by
17 this section shall apply to obligations issued after the date
18 of the enactment of this Act.

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